

**Tennessee Student Assistance Corporation**

April 2003

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**TSAC QUESTION OF THE MONTH - #1**

Question: Can TSAA be used as part of the non-Federal institution's matching portion of the Federal Supplemental Education Opportunity Grant (FSEOG)?

ED issued [Dear Partner/Colleague Letter, CB-01-16](#), Subject: "Use of State scholarships and grants as the non-Federal share of Federal Supplemental Educational Opportunity Grant awards" in December 2001. In this letter, ED stated, "In response to inquiries concerning the use of State scholarships for this purpose, the Department has determined that all State scholarships and grants, except for Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) awards, are eligible funds that may be used to meet the non-Federal share requirement." In April 2003, ED issued [CB-03-05](#) with the same subject. The attached chart shows the Tennessee percentage as 86.44% for the 2002-2003 award year. If a student receives a TSAA of \$1,500, then up to \$1,296 of that award can be counted by the school as the non-Federal share of a FSEOG award.

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**TSAC QUESTION OF THE MONTH - #2**

Question: When must a Return of Title IV Funds (RTIVF) calculation be made?

A RTIVF calculation must be made when a student who receives Title IV funds begins attending and subsequently makes a total withdrawal, either officially or unofficially.

The 2002-2003 FSA Handbook, Vol. 1, Chapter 6, provides instructions for performing a RTIVF calculation. On page 2-129, ED notes that when a student withdraws after the 60% point-in-time and a return is not required, a RTIVF calculation must still be completed in order to determine whether the student is eligible for a post-withdrawal disbursement.

The recent mobilization of National Guard and Reservists, as well as movement of active-duty personnel overseas, has resulted in many military students having to withdraw from classes. Although ED has urged schools to be as liberal as possible in processing reductions in institutional charges, a RTIVF calculation is still required for any military student who received Title IV aid. In Dear Partner/Colleague letters GEN-03-06/G-03-347/L-03-241, ED provided the following guidance.

"If a Title IV eligible student withdraws because of being called to active duty, or has been otherwise impacted by the military mobilization (such as a change of duty station away from the borrower's home), the school must perform the Return of Title IV Funds calculations that are required by the statute and regulations (34 CFR 668.22). If those calculations result in the school being required to return funds to one or more of the Title IV programs, it must do so. If these calculations result in an overpayment that is the responsibility of the student to repay, **the school should not contact the student or notify NSLDS**. Please note, however, that although previous guidance instructed the school not to refer these overpayments to the Department, beginning on May 1, 2003, the school must refer overpayments to the Department for tracking and verification purposes. To

the extent possible, these referrals should also include any overpayments identified previously by the school for military mobilization withdrawals under the guidance provided in Dear Colleague Letter GEN-01-13, September 2001. Schools should make the referral using the overpayment referral format on page 1-131 of the Student Eligibility section (Volume 1) of the 2002-2003 Student Financial Aid Handbook. Schools must specify "MILITARY MOBILIZATION" as the reason for the overpayment in Part 5 of the overpayment referral format."

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## **MAPPING YOUR FUTURE'S OSLC 3.0 TO FEATURE CUSTOMIZED CONTENT FOR SCHOOLS**

When Mapping Your Future premier's Online Student Loan Counseling (OSLC) 3.0 this summer, schools will be able to customize the counseling content, and students will have a new interactive interface.

In OSLC 3.0, schools will be able to customize counseling content as follows:

- Choose standard or expanded content for each counseling type (Stafford entrance, Stafford exit, Perkins entrance, and Perkins exit)
  - Standard counseling will include those loan topics regulations require.
  - Expanded counseling will include those loan topics regulations require, plus and additional section of financial literacy information (e.g., credit cards, credit reports, etc.).
- Require students to complete a budget as part of their counseling session
- Select questions from a list of questions for each topic
- Choose graphics
- Require students to complete those fields on the student form that regulations require or complete ALL fields
- Select the web page (e.g., school's web page) students will access upon completing counseling or allow students to choose from a variety of helpful links

Schools will make these customization selections in their FAO Access Area. Schools that currently participate will not have to change anything, but have the option to take advantage of the customization features that best suit their needs. If a school doesn't make any changes, its school profile will use the default settings.

In version 3.0, students will read their counseling content section-by-section, answering questions about the text they've read before proceeding to the next section. This format splits the content by topic, making the counseling more interactive. In addition, students are more apt to retain the information they've read since they're reading smaller portions of text at one time. To enhance the new student interface, the OSLC team has rewritten the current counseling modules (Stafford entrance, Stafford exit, Perkins entrance, and Perkins exit), making the text more concise and easy to understand, while avoiding unfamiliar terms.

Students will read and answer questions in six sections for Stafford and Perkins entrance and exit counseling. However, if the school has selected "expanded" content, the student will complete an additional section on financial literacy information. In addition, if the school requires students to complete a budget as part of the counseling session, the student will complete the budgeting section. For example, if a school elects expanded Stafford entrance counseling and requires a student to complete a budget, the student will read the traditional six sections, plus the financial literacy section, and complete a budget (eight sections).

## **FEDERAL UPDATE**

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### **PTIN NOW ACCEPTABLE FOR VERIFICATION**

NASFAA reports that ED states that the Prepared Tax Identification Number (PTIN) is acceptable for purposes of verification. When a student submits a federal tax return, it must be signed by the filer or one filer of a joint return. Under 34 CFR 668.57(a)(7), a copy of the tax filer's return that has been signed by the preparer of the return or stamped with the name and address of the preparer is acceptable for the purpose of verification. The PTIN is a unique identifying number used in place of a preparer's SSN.

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### **ED RELEASES VOLUMES 2, 8 AND 9 OF THE 2003-2004 FSA HANDBOOK**

ED released [Volume 2, Institutional Eligibility and Participation](#), [Volume 8, "Direct Loan and FFEL Programs](#), and [Volume 9, State Grant Programs](#) of the 2003-2004 FSA Handbook. The volumes are available for in Adobe Acrobat format.

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### **GEN-03-05: ELECTRONIC COHORT DEFAULT RATE (eCDR) NOTIFICATION PROCESS**

ED released [GEN-03-05](#), entitled Electronic Cohort Default Rate (eCDR) Notification Process. Beginning with the just completed distribution of Fiscal Year 2001 draft cohort default rate, ED will electronically transmit cohort default rate notification packages to domestic institutions using the Student Aid Internet Gateway (SAIG). The [February 25 Federal Register](#) instructed schools that they have until June 1 to designate an SAIG destination point that will receive the eCDR notification packages. Schools should go to [www.sfawebenroll.ed.gov](http://www.sfawebenroll.ed.gov) to complete the enrollment. As part of the SAIG registration, each institution must submit by June 1, 2003, a hardcopy SAIG signature page signed by the institution's Chief Executive Officer.

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### **ED ANNOUNCES ADMINISTRATIVE RELIEF FOR STUDENTS AND BORROWERS AFFECTED BY MILITARY MOBILIZATIONS**

ED released [GEN-03-06/ G-03-347/L-03-241](#): Administrative Relief for Students and Borrowers Affected by Military Mobilizations. These letters update Dear Colleague Letter GEN-01-13, which was released just after the September 11 terrorist attacks. The guidance in these letters applies to students who have FELP, Perkins, and Direct Loans.

Senator John Edwards of North Carolina introduced S. 863, the Fairness for America's Soldiers in Higher Education Act of 2003. This bill would amend the Higher Education Act of 1965 to allow soldiers to serve their country without being disadvantaged financially by Federal student aid programs. The bill proposes to waive repayment of any grant assistance when a student withdraws to serve on active duty in the military services. It also proposes waiving interest on student loans for soldiers deployed on active duty. The bill has been referred to the Senate Committee on Health, Education, Labor, and Pensions. It can be [tracked](#) by following this link and entering "S. 863" in the first blank.

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## **NASFAA ANNOUNCES 2003 AUDITOR TRAINING**

NASFAA and Dr. Stephen Collins of Student Financial Aid Audit Seminars are again teaming up to offer training for auditors (including internal auditors) who work in the Higher education arena, specifically in financial aid. The [announcement](#) contains the dates, locations, and cost of the three-day seminars, as well as contact information if you have questions.

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## **CB-03-04: INFORMATION REGARDING FINAL FUNDING FOR 2003-2004 AWARD YEAR CAMPUS-BASED PROGRAMS**

ED released [CB-03-04](#): Information Regarding Your School's Final Funding Authorization Under the Campus-Based Programs for the 2003-2004 Award Year. The announcement includes the total authorized under each of the programs as well as a [link](#) where each school can find their individual 2003-2004 authorization level and final funding level worksheet posted on the eCampus-Based Web site.

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## **ED ISSUES STEP-BY-STEP GUIDES FOR EZAUDIT**

ED released eZ-Audit Step-by-Step Guides in [three formats](#), one each for Public Schools, Not-For-Profit Schools, and For-Profit Schools. The guides are available in Word, Adobe Acrobat or Compressed Adobe Acrobat format.

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## **ELEVEN GROUPS EXPRESS CONCERN ABOUT EZ-AUDIT**

Eleven associations, including NASFAA, sent a letter to ED expressing concerns about eZ-Audit. The [letter](#) is available on the NASFAA Web site but requires a NASFAA ID and password. The letter states concerns that the new eZ-Audit program that was activated on April 1 conflicts with the Single Audit Act that requires public and nonprofit colleges and universities that expend federal funds to submit a single audit report to the Federal Audit Clearinghouse. The associations state that the eZ-Audit program appears to violate the intent of OMB Circular A-133 by requiring a separate submission of this audit report. The associations are also concerned that the eZ-Audit program requires schools to submit data that is not used in required calculations.

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## **EDEXPRESS FOR WINDOWS 2003-2004, VERSION 9.0.1 RELEASED**

ED has released the EDEExpress for Windows 2003-2004, Version 9.0.1. This version has the final 2003-2004 Pell Payment Schedules. The [new software](#) can be downloaded from the FSA Download site but users must have Version 9.0 installed prior to installing the new software. ED has also issued an [electronic announcement](#) providing suggestions for installing Version 9.0.1.

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## **PRE-RELEASE DRAFT OF 2004-2005 FISAP TECHNICAL REFERENCE**

ED posted the [Pre-Release Draft](#) of the 2004-2005 FISAP Technical Reference. This Pre-Release draft provides programmer specifications and record layouts for schools or other organizations that wish to design custom software systems to interface with ED's FISAP on the Web process.

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## **COD SYSTEM UPDATE FOR 2003-2004 PROCESSING YEAR**

Since April 2002, Common Origination and Disbursement (COD) has been the financial aid delivery system for the Federal Pell Grant and Direct Loan programs. ED released an [electronic announcement](#) containing important information on key features available for the 2003-2004 Award Year release of the COD system.

In a related matter, ED is encouraging all schools that intend to become Full Participants for the 2003-2004 award year to notify COD School Relations Center as soon as possible. The [April 4 electronic announcement](#) stated that although schools may not begin awarding Federal Pell Grants until a later date and may be waiting to notify the COD School Relations Center until they are ready to begin, the COD School Relations Center is encouraging them to send the notification as soon as possible.

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**If you have questions on any article or suggestions for future articles, please contact Gary Rogers at 800-342-1663 or 615-741-1346; e-mail address: [gary.rogers@state.tn.us](mailto:gary.rogers@state.tn.us).**